



Town of Amherst
Audit Committee

Agenda

Date: December 14, 2021
Time: 4:00 pm
Location: Zoom Virtual Meeting

	Pages
1. CALL TO ORDER	
2. APPROVAL OF AGENDA	
3. APPROVAL OF MINUTES	
3.1. September 22, 2021	2 - 4
4. ELECTION OF CHAIR AND VICE CHAIR	5 - 7
5. PRESENTATION OF SECOND QUARTER FINANCIAL RESULTS	8 - 22
6. FCI REPORT	23 - 60
7. ADJOURN	

**Town of Amherst
Audit Committee
Minutes**

Date: September 22, 2021
Time: 4:30 pm
Location: Zoom Virtual Meeting

Members Present David Kogon, Council representative, Chair
Sheila Christie, Council representative
Lisa Emery, Council representative
Dale Fawthrop, Council representative
Leon Landry, Council representative
Jeff Brennan, Citizen representative

Members Absent Hal Davidson, Council Representative
George Baker, Council Representative
Rob Small, Citizen representative

Staff Present Jason MacDonald, Chief Administrative Officer
Michael Hunter, Chief Financial Officer
Sarah Wilson, Senior Accountant
Kim Jones, Municipal Clerk
Natalie LeBlanc, Deputy Clerk

Others Present Mark Milner, Jorgensen & Bickerton Inc.

Due to the COVID-19 pandemic this was a virtual meeting held via Zoom.

1. CALL TO ORDER

Mayor Kogon called the meeting to order at 4:30 p.m.

2. APPROVAL OF AGENDA

Moved By Councillor Emery

Seconded By Councillor Fawthrop

To approve the agenda as circulated.

Motion Carried

3. APPROVAL OF MINUTES

3.1 July 20, 2021

Moved By Councillor Landry

Seconded By Councillor Fawthrop

To approve the minutes of the July 20, 2021 Audit Committee meeting as circulated.

Motion Carried

4. PRESENTATION OF AUDITED FINANCIAL STATEMENTS

4.1 Town of Amherst Consolidated

The Chief Financial Officer presented the Town of Amherst Consolidated Statements as included in the agenda package.

4.2 Amherst Water Utility

The Chief Financial Officer presented the Amherst Water Utility Non-Consolidated Financial Statements as included in the agenda package.

4.3 Audit Findings Letter

Mark Milner presented the Audit Findings letter, included as part of the agenda package.

4.4 Representation Letter - Consolidated

Mark Milner presented the Representation Letter for the Town of Amherst Consolidated Financial Statements, as included in the agenda package.

4.5 Representation Letter - Amherst Water Utility

Mark Milner presented the Representation Audit Findings letter for the Amherst Water Utility, as included in the agenda package.

5. ACCEPTANCE OF FINANCIAL STATEMENTS

5.1 Recommendation to Accept Town Statements

Moved By Councillor Landry

Seconded By Councillor Fawthrop

That the Audit Committee recommend to Town Council the acceptance of the Audited Consolidated Financial Statements for the Town of Amherst for the fiscal year ended March 31, 2021, which have been audited by the firm Jorgensen and Bickerton.

Motion Carried

5.2 Recommendation to Accept Water Utility Statements

Moved By Councillor Emery

Seconded By Councillor Christie

That the Audit Committee recommend to Town Council the acceptance of the Audited Non Consolidated Financial Statements for the Amherst Water Utility for the fiscal year ended March 31, 2021, which have been audited by the firm Jorgensen and Bickerton.

Motion Carried

6. OTHER

6.1 First Quarter Financial Report

The Senior Accountant reviewed the first quarter report as included in the agenda package. Information item only; no action required.

6.2 Capital Budget Actuals-to-Date

The Senior Accountant reviewed the capital budget actuals-to-date as included in the agenda package. Information item only; no action required.

7. ADJOURN

**Moved By Councillor Landry
Seconded By Councillor Emery
To adjourn the meeting.**

Motion Carried

Kimberlee Jones
Municipal Clerk

David Kogon, MD
Mayor

DEPARTMENT: Council and Corporate Services

TITLE: Audit Committee Terms of Reference

Minutes reference date: 29 March 2016 27 February 2017

Purpose

1. The Audit Committee (the “Committee”) assists Town Council (“Council”) in fulfilling its oversight responsibilities relating to finance and audit matters delegated to management by Council.
2. In particular, the Committee assists Council by reviewing:
 - a. Key financial information that will be provided to the province or made public;
 - b. Compliance with strategic financial plans, operating and capital budgets;
 - c. External and/or internal audit activities;
 - d. The system of internal controls, risk management and financial information technology;
 - e. Cash and investment management activities;
 - f. Insurance coverage of significant risks and uncertainties;
 - g. Financial Condition Indicators.

Composition, Operations and Accountability

3. The Committee shall be comprised of all members of Council plus two citizen appointments. The Committee shall be appointed by Council.
4. The initial citizen appointments (effective November 1, 2016) will be for one-year terms, as a transitional measure, and subsequent citizen appointments will be for two-year terms. Citizen appointees shall possess knowledge and understanding of financial and investment matters.
5. The Chief Administrative Officer (CAO) of the Town or his or her appointee shall be the secretary of the Committee
6. The Chief Administrative Officer, Treasurer and Accountant shall be non-voting members of the Committee.
7. The Chair shall be a member of Council and shall be elected annually by the Committee.
8. The Committee shall meet at least four times each year. The Committee Chair will make periodic reports to Council on matters relating to the Committee’s duties and responsibilities.
9. The Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of Council.
10. Through the CAO the Committee may request members of the Town’s senior management to attend meetings of the Committee as deemed necessary.
11. The Committee provides open avenues of communication among management, employees, external auditors and Council.

Duties and Responsibilities

12. The Committee has the following responsibilities and will perform the following duties.

Financial Information

- a. The Committee will review the following financial information that will be provided to the Province or made public:
 - i. Annual audited financial statements;
 - ii. Management discussion and analysis that accompanies the audited financial statements
- b. Ensure that meaningful financial information regarding current financial results and up to date forecasts is received on a timely basis, and that it provides information required for decision making.
- c. Review quarterly internal financial reports.
- d. Review:
 - i. the appropriateness of accounting policies and financial reporting practices and any proposed changes thereto;
 - ii. any new or pending developments in accounting and reporting standards; and
 - iii. significant estimates contained in the financial statements and other financial information.
- e. The Committee will:
 - i. assess the performance of the external auditor;
 - ii. review and recommend that Council approve the engagement or reappointment of the external auditor as required;
 - iii. oversee the activities of the external auditor by:
 1. reviewing, assessing and receiving assurances as to the independence of the external auditor;
 2. reviewing the provision of non-audit services performed by the external auditor;
 3. reviewing the external audit plan including the engagement letter, materiality limits, staffing, timetable and proposed fees;
 4. if necessary, requesting to meet with the external auditor without management present;
 5. reviewing matters with respect to the conduct and reporting of the external audit with particular reference to any difficulties encountered or restrictions imposed by management; and
 6. receiving and reviewing the external auditor's:
 - a. audit report;
 - b. findings with respect to the appropriateness of accounting policies, management estimates and significant accounting and/or reporting issues;
 - c. management letter including managements responses thereto and the evaluation of the internal control system; and
 - d. other matters of relevance identified in the audit.

- f. The Committee will periodically evaluate the need for the establishment of an internal audit function and make appropriate recommendations to the Council.

Internal Control, Risk Management and Financial Information Systems

- g. The Committee will review:
- i. the system of internal control;
 - ii. financial policies;
 - iii. the strategic and financial risk assessment process to ensure that key strategic and financial risks are identified, assessed and risk mitigation strategies are implemented;
 - iv. financial information technology to ensure that it effectively supports or provides for current and future planning, financial activities;
 - v. the security of financial information, financial information technology and financial information disaster recovery plans; and
 - vi. compliance with financial statutory and regulatory obligations.

Investment Management Activity

- h. The Committee shall be responsible for the management of the Town's investment portfolio in accordance with paragraph 5 (c) of the Investment Policy, #03600-01.

Banking Services

- i. The Committee will periodically assess banking services and oversee the procurement of these services in accordance with Council policy.

Insurance Coverage of Significant Risks and Uncertainties

- j. The Committee will review the adequacy of insurance program and coverage for significant risks and uncertainties.

Terms of Reference for the Committee

13. The Committee will review its terms of reference annually.



SECOND QUARTER FINANCIAL REPORT

FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UNAUDITED)

Town of Amherst



INTRODUCTION

Quarterly financial reporting is being prepared by the Town of Amherst as a means of providing the community, council and the organization with a regular overview of financial and statistical information. Quarterly financial reporting is a strategic priority identified by council.

The primary information provided in the quarterly report is a comparison of the year to date budget amounts to actual revenues and expenditures for operating departments. All financial information is based on preliminary, unaudited information reported from the municipal finance system as of the report date. Seasonal variations in municipal operations may affect the proportion of revenues achieved or expenditures incurred to date.

This quarterly report provides information in seven parts:

Organizational Structure, page 3

- ℓ Hierarchy with departmental responsibilities.

Commentary, page 4

- ℓ Charts and comments

Schedules of Operations, pages 5-7

- ℓ Schedule of Operations – General Operating Fund – Revenues & Expenditures
- ℓ Schedule of Operations – General Operating Fund – Departmental & Mandatory Expenditures
- ℓ Schedule of Operations – Water Operating Fund – Revenues & Expenditures

Statement of Financial Position, page 8

- ℓ Consolidated Statement of Financial Position

Capital Budget, pages 9-11

- ℓ 2020/21 Capital budget with actual and committed costs

Tax Rates, pages 12-13

- ℓ General
- ℓ Mandatory Provincial Contribution Area Rate
- ℓ Community Support Area Rate

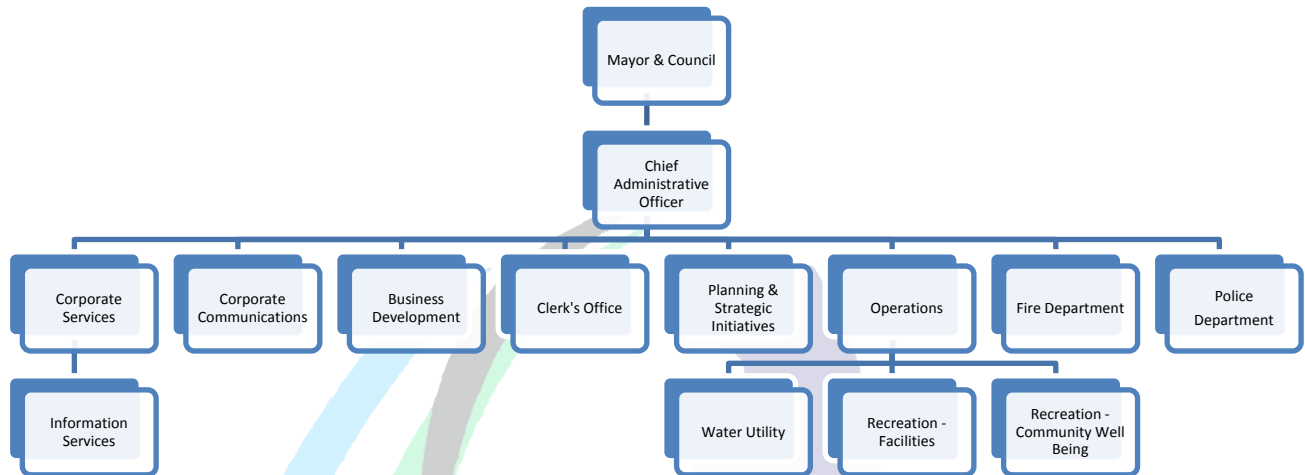
Other Rates, pages 14 - 15

- ℓ Deed Transfer Tax
- ℓ Uniform Charge – Solid Waste
- ℓ Sewer Rates
- ℓ Uniform Charge – Wastewater Treatment Facility
- ℓ Water Utility Rates

Quarterly financial reporting follows the fiscal year of the municipality which is April 1 through March 31.

ORGANIZATIONAL STRUCTURE

Below is the organizational structure of the Town of Amherst with a brief description of each departments responsibilities.



Corporate Services

- / Finance
- / Fiscal Planning
- / Human Resources
- / Tax & Water/Sewer Billing
- / Collections
- / Procurement
- / Information Services Management

Corporate Communications

Business Development

- / Investment Attraction
- / Business Retention Expansion

Clerk's Office

- / Council & Committee Liaison
- / Records Management

Planning & Strategic Initiatives

- / Planning / Development
- / Strategic Initiatives / Projects

Fire Department

- / Fire Rescue
- / Hazmat

Operations

- / Inspections / Permits
- / Solid Waste
- / Engineering
- / Public Works
- / Sewer
- / Water

Recreation - Facilities

- / Stadium
- / Parks / Playgrounds
- / Robbs

Recreation – Community Well Being

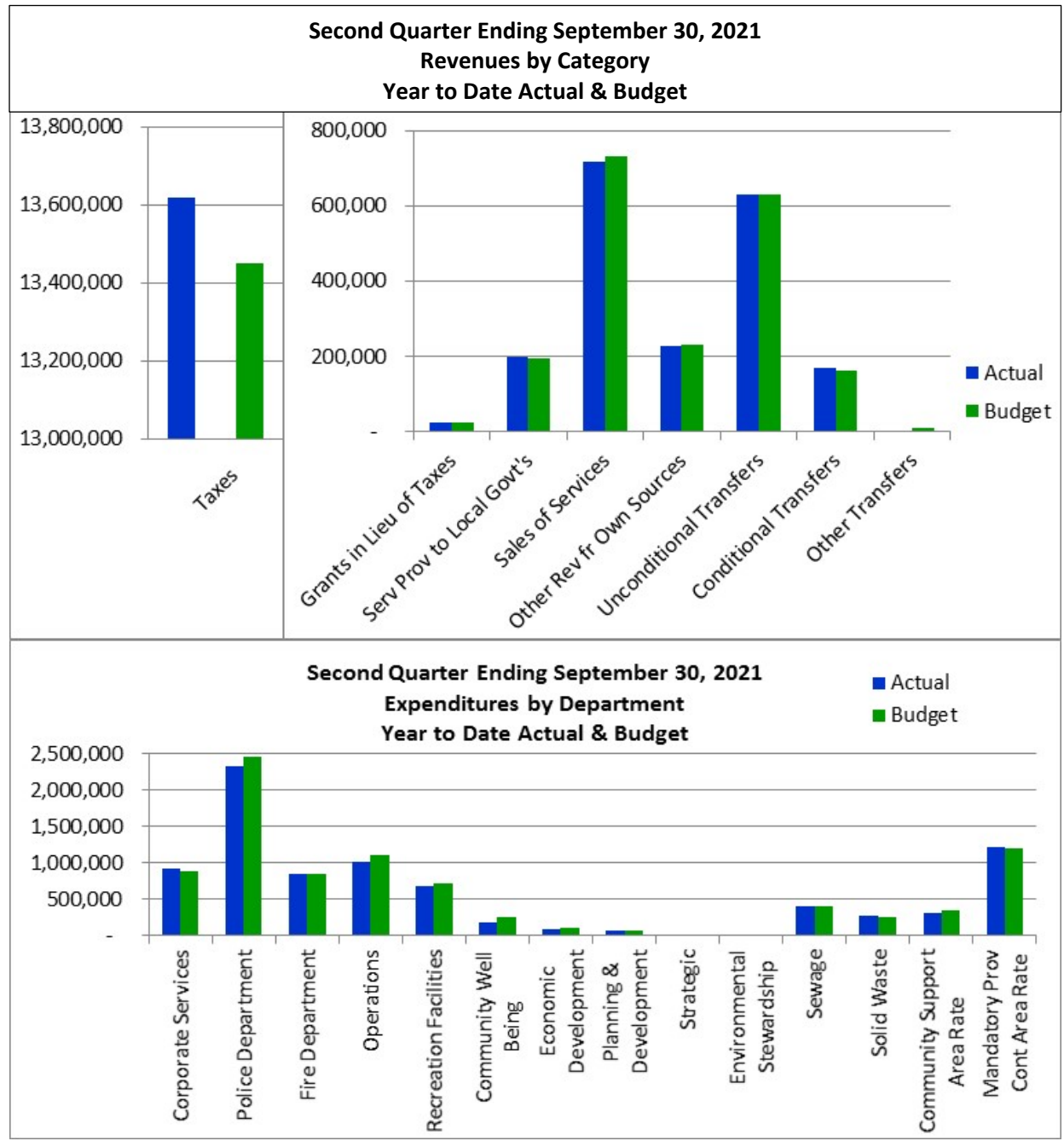
- / Wellness
- / Programming
- / Community Events
- / Tourism

Police Department

- / Crime
- / Major Crime
- / Street Crime
- / Crime Prevention
- / Community Partnerships

COMMENTARY

Six months into the 2021/22 fiscal year the general operating fund has a surplus of \$476,384 compared to budget. The Town’s operating revenues are \$15,586,909 compared to the budgeted amount of \$15,442,965. The Town’s expenditures at the end of the second quarter are \$8,309,273 compared to the budgeted amount of \$8,641,713.



SCHEDULE OF OPERATIONS

Town of Amherst
Schedule of Operations - General Operating Fund
For the Six Months Ended September 30, 2021

	2020/21 Actual	2021/22 Actual	2021/22 Budget	2021/22 Variance
Revenues				
Taxes	\$ 13,293,809	\$ 13,619,292	\$ 13,450,573	\$ 168,719
Grants in Lieu of Taxes	-	24,460	25,000	- 540
Services Provided to Other Local Govt	195,304	197,461	196,641	820
Sales of Services	680,214	718,519	733,251	- 14,732
Other Revenue from Own Sources	179,218	226,597	233,109	- 6,512
Unconditional Transfers	630,192	630,192	630,191	1
Conditional Transfers	171,377	170,388	163,200	7,188
Other Transfers	-	-	11,000	- 11,000
Total Revenues	15,150,114	15,586,909	15,442,965	143,944
Expenditures				
Wages & Benefits	3,780,412	4,472,463	4,790,238	- 317,775
Administrative Costs	318,479	325,556	351,698	- 26,142
Building & Facility Costs	302,825	345,834	344,941	893
Vehicle & Equipment Costs	184,967	168,484	176,621	- 8,137
Materials & Supplies	265,321	196,273	202,797	- 6,524
Grants to Organizations	124,283	181,038	182,917	- 1,879
Other Municipal Costs	453,002	468,900	482,835	- 13,935
Fiscal Services	1,599,171	1,773,284	1,624,259	149,025
Fire Protection Charge	353,272	353,272	353,273	- 1
Tax Exemptions	144,582	136,057	150,243	- 14,186
Cost Recovery	- 22,694	- 111,888	- 18,109	- 93,779
Total Expenditures	7,503,620	8,309,273	8,641,713	- 332,440
Surplus	7,646,494	\$ 7,277,636	\$ 6,801,252	\$ 476,384

SCHEDULE OF OPERATIONS (cont'd)

Town of Amherst
Schedule of Operations - General Operating Fund
Departmental and Mandatory Expenditures
For the Six Months Ended September 30, 2021

	2020/21 Actual	2021/22 Actual	2021/22 Budget	2021/22 Variance
Departmental Expenditures				
Corporate	\$ 800,576	\$ 927,268	\$ 889,034	\$ 38,234
Police	2,072,378	2,322,016	2,459,977	- 137,961
Fire	796,848	841,082	844,050	- 2,968
Operations	1,027,216	1,015,761	1,109,800	- 94,039
Recreation Facilities	496,188	677,185	722,159	- 44,974
Community Well Being	118,938	184,490	255,222	- 70,732
Economic Development	96,581	81,981	107,125	- 25,144
Planning & Development	49,528	63,073	63,071	2
Environmental Stewardship	-	-	-	-
Strategic	-	-	-	-
Sewage	359,951	394,457	395,790	- 1,333
Solid Waste	276,676	266,366	255,954	10,412
Community Support Area Rate	270,524	318,028	346,173	- 28,145
Total Departmental Expenditures	<u>6,365,404</u>	<u>7,091,707</u>	<u>7,448,355</u>	<u>- 356,648</u>
Mandatory Expenditures				
Assessment Services	58,167	57,277	59,330	- 2,053
Corrections	55,114	54,828	56,217	- 1,389
Housing	195,599	246,897	219,245	27,652
Education	798,426	814,914	814,916	- 2
Regional Library	30,910	43,650	43,650	-
Total Mandatory Expenditures	<u>1,138,216</u>	<u>1,217,566</u>	<u>1,193,358</u>	<u>24,208</u>
Grand Total Expenditures	<u>\$ 7,503,620</u>	<u>\$ 8,309,273</u>	<u>\$ 8,641,713</u>	<u>-\$ 332,440</u>

SCHEDULE OF OPERATIONS (cont'd)

Compared to budget, the Water Operating Fund is showing a surplus of \$34,025 at the end of the second quarter. Revenues are over budget by \$3,094 and expenditures are under budget by \$30,931.

Town of Amherst
Schedule of Operations - Water Operating Fund
For the Six Months Ended September 30, 2021

	2020/21 Actual	2021/22 Actual	2021/22 Budget	2021/22 Variance
Revenues				
Sale of Services	\$ 1,279	\$ 1,447	\$ 1,500	-\$ 53
Interest on o/s Water A/R	1,713	3,485	2,250	1,235
Misc Rev & Inc fr Other Non Utility	50	75	100	-
Metered Sales	637,269	619,359	621,136	-
Flat Rate Sales	83,101	83,825	83,160	665
Bulk Water Sales	8,925	11,550	8,500	3,050
Fire Protection	454,207	454,207	454,208	-
Private Hydrants	14,750	10,250	10,250	-
Sprinkler Service	13,750	14,300	14,300	-
Total Revenues	1,215,044	1,198,498	1,195,404	3,094
Expenditures				
Wages & Benefits	326,965	374,587	393,444	-
Administrative Costs	40,788	39,167	42,925	-
Building & Facility Costs	142,163	143,083	145,217	-
Vehicle & Equipment Costs	23,195	18,319	20,134	-
Materials & Supplies	85,852	67,084	67,631	-
Other Municipal Costs	121,380	145,118	147,262	-
Fiscal Services	23,290	25,728	27,404	-
Cost Recovery	-	1,494	-	-
Total Expenditures	762,139	813,086	844,017	- 30,931
Surplus	\$ 452,905	\$ 385,412	\$ 351,387	\$ 34,025

STATEMENT OF FINANCIAL POSITION

Town of Amherst
Consolidated Statement of Financial Position
As at September 30, 2021

	As at September 30, 2021	As at September 30, 2020
Financial Assets		
Cash and cash equivalents	\$ 13,869,033	\$ 11,037,105
Receivables	<u>2,942,531</u>	<u>3,580,848</u>
	<u>16,811,563</u>	<u>14,617,953</u>
Liabilities		
Accounts payable and accrued liabilities	2,145,071	1,932,350
Deferred revenue	409,184	326,005
Long term debt	<u>8,368,608</u>	<u>8,142,995</u>
	<u>10,922,863</u>	<u>10,401,350</u>
Net assets (debt)	<u>5,888,700</u>	<u>4,216,602</u>
Non-financial assets		
Prepaid expenses	32,509	30,624
Inventories of supplies	94,174	98,037
Deferred grant - solar garden	244,587	-
Capital assets (net of accumulated amortization)	64,769,621	64,409,887
Capital work in progress	<u>251,986</u>	<u>1,991,080</u>
	<u>65,392,877</u>	<u>66,529,628</u>
Accumulated surplus	<u>\$ 71,281,578</u>	<u>\$ 70,746,231</u>

Note: The Consolidated Statement of Financial Position does not include Cumberland Joint Services Management Authority.

CAPITAL BUDGET

Town of Amherst Capital Budget - 2021/22 Projects	Total Actual Committed & WIP Costs at September 30, 2021	2021/22 Budget
WATER CAPITAL BUDGET		
Monitoring Wells <i>(carry over)</i>	25,029	40,000
Wellfield Generator <i>(carry over)</i>	22,421	240,000
Land Purchase - Hwy 366 Fort Lawrence (Wellfield - protected land) <i>(carry over)</i>	38,667	38,360
Spring Street ~ Croft to Church - water main replacement	8,230	177,000
New Dump Truck	-	175,000
New Overhead Doors - Works Garage (Water) - Qty 4	-	30,000
Future project design cost	-	30,000
Central Avenue - design (future project)	17,544	
Water Meter Reading Handheld Device	-	15,000
Fire Hydrant Replacement	-	12,500
Water Meter Replacement	-	12,500
WATER CAPITAL BUDGET TOTAL	111,892	770,360
GENERAL CAPITAL BUDGET		
EQUIPMENT		
New Trackless Salt Spreader	25,550	30,000
BUILDINGS / LAND		
Solar for Community Buildings - Fire Hall <i>(carry over)</i>	-	183,414
Solar for Community Buildings - Police Station <i>(carry over)</i>	-	184,537
Fire Station Bldg Repairs - installation of card access system <i>(carry over)</i>	-	48,000
Works Garage - Security Doors <i>(carry over)</i>	-	15,000
Town Hall Council Chambers Upgrades (\$30,000 <i>carry over</i> + \$30,000 new)	3,846	60,000
New Overhead Doors - Works Garage (Streets) - Qty 4	-	30,000
Video Conference System for 5 Ratchford Street	-	12,000
Industrial Park Directory Sign Replacement	-	25,000
Fire Dept - Server - replacement	-	17,000
Fire Station - Parking Lot (overlay)	-	80,000
Land - Sale of 31 West Pleasant	506	-
Subtotal	4,352	654,951
LARGE MULTI - CATEGORY PROJECTS		
Spring Street ~ Croft to Church - street paving, sanitary sewer, storm sewer, sidewalk	-	250,000
Franklyn Street - asphalt overlay and storm sewer (corrugated)	16,265	220,000
Future project design cost	-	30,000
Subtotal	16,265	500,000

CAPITAL BUDGET (cont'd)

Town of Amherst Capital Budget - 2021/22 Projects	Total Actual Committed & WIP Costs at September 30, 2021	2021/22 Budget
STREETS		
Tupper Blvd ~ TIR Office Driveway to Chandler Road (overlay)	-	100,000
Summit Avenue ~ (overlay)	2,225	80,000
Haliburton Street ~ (CM)	-	70,000
Townshend Avenue ~ Church to Academy (overlay)	1,051	15,000
Dickey Street ~ Charles to Rupert (overlay)	876	20,000
North Adelaide Street ~ Victoria to Brownell (pulverize & pave)	6,650	200,000
Victor Avenue (overlay)	1,064	50,000
Pender Street (overlay)	726	40,000
Industrial Park Drive ~ CNR to Southgate (overlay)	2,486	100,000
Central Avenue (overlay)	999	75,000
Subtotal	<u>16,077</u>	<u>750,000</u>
<i>RC = Reconstruction and paving; CM = Cold mill and Paving; P = Pulverize and paving; O = Asphalt Overlay</i>		
SIDEWALKS		
Dickey Brook Trail ~ Donald to Charles - Gravel Trail (Active Transportation Plan) (Town Crew) <i>(carry over)</i>	705	10,000
Willow Street Trail - East to Abbey - Gravel Trail (Active Transportation Plan) (Town Crew) <i>(carry over)</i>	-	50,000
Croft Street ~ Beacon to East Pleasant (town crews)	9,207	15,000
Park Street ~ Patterson to Patterson (town crews)	10,380	20,000
LaPlanche Street ~ extension of existing sidewalk to beginning of marsh trail	5,470	20,000
Subtotal	<u>25,761</u>	<u>115,000</u>
STORM /SANITARY SEWER		
Racetrack Road - Pump Station Upgrades (Surcharge Tank) <i>(carry over)</i>	52,810	50,000
Willow Street Trail - East to Abbey (under new trail) - new sanitary sewer main (Town Crew) <i>(carry over)</i>	13,466	50,000
Mallard Drive - storm sewer project - option 2 (town crews)	37,994	40,000
Subtotal	<u>104,270</u>	<u>140,000</u>

CAPITAL BUDGET (cont'd)

Town of Amherst Capital Budget - 2021/22 Projects	Total Actual Committed & WIP Costs at September 30, 2021	2021/22 Budget
FIRE DEPARTMENT		
Fire Station Bldg Repairs - Repair floor and wall finishes in south entrance <i>(carry over)</i>	-	7,000
Fire Station Bldg Repairs - Replace the two main exterior entrances <i>(carry over)</i>	899	18,000
Fire Station Bldg Repairs - concrete ramp and stairs remove & replace <i>(carry over)</i>	2,383	25,000
Replacement - Self Contained Breathing Apparatus (SCBA) (Qty 8) (HAZMAT OPS) <i>(carry over)</i>	-	72,000
Structural Firefighting Bunker Gear - replacement (6-9 sets)	-	20,000
Relocation of a portion of the existing vehicle exhaust rail system (Nederman)	13,332	16,000
Fire Suppression Hose (set #1) - replacement	-	30,000
Air Lift Bag System (rescue) - replacement	-	11,000
Subtotal	16,614	199,000
POLICE DEPARTMENT		
Patrol Vehicle # 6 <i>(carry over)</i>	65,912	68,700
Ballistic Helmets - Carbine <i>(carry over)</i>	10,715	10,000
Pistols & Mags (Qty - 10) <i>(carry over)</i>	12,649	13,000
Patrol Vehicle #2	-	65,000
Ballistic Plates - Hard Body Armour - Carbine - 15 sets	48,888	21,000
Smart Board - Community Room	-	27,000
Subtotal	138,164	204,700
RECREATION		
Vehicle - Car/SUV for Community Wellbeing Team <i>(carry over)</i>	25,086	25,000
Sprinkler System Back Flow Preventor <i>(carry over)</i>	-	5,000
Zamboni	167,257	200,000
New Outdoor Skating Rink / Tourist Center / Market / Take Out Seating	-	200,000
Zero Turn Grass Catcher	-	10,000
Trackless Aerator	-	15,000
Brine Pump - Stadium	11,700	20,000
Cenotaph Renovations	-	40,000
Robbs Basketball Court (multi-purpose) (overlay)	-	35,000
Robbs - Batting Cage - to complete project	14,899	-
Subtotal	218,942	550,000
GENERAL CAPITAL BUDGET TOTAL	565,996	3,143,651

GRAND TOTAL WATER & GENERAL CAPITAL BUDGETS	677,888	3,914,011
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*** Year 2 Commitments:		
Fire Truck - replace Ladder 4 - Aerial device	-	1,600,000
Patrol Vehicle #3	48,888	65,000
New Backhoe - sewer	-	165,000
Subtotal	48,888	1,830,000

TAX RATES

There are three different tax rates: general, mandatory provincial contribution area rate and the community support area rate. These tax rates are established annually for residential, commercial and resource properties. Tax bills are issued bi-annually. The interim billing is 50% of the total prior year's bill and is due May 31, 2021. The final billing takes into consideration the accounts new assessment, the current year tax rate and uniform charges then deducting the interim billing. The final bill is due September 30, 2021.

Tax Rates

1. General – this rate is used to pay for services provided by the Town to residents of the Town. These services include; fire, police, planning, transportation and public works, economic development, recreation, as well as internal services performed by the Corporate Services department. The general operations rate increased by one cent (\$0.01) for fiscal 2021/22.
2. Mandatory Provincial Contributions Area Rate - the cost for provincial services the province charges the municipality for. Any changes in these costs are mandated by the Province and passed on to the municipalities to collect on their behalf. In 2021/22 the Town increased the Mandatory Provincial Contribution Area Rate by five tenths of one cent (\$0.005). This rate includes the following provincial services:
 - ⌘ Education
 - ⌘ The Town is required to provide funding to the Chignecto Central Regional Centre for Education under the Education Act. This mandatory education contribution is set by the Province of Nova Scotia and is based on the Town's share of the Uniform Assessment.
 - ⌘ Property Valuation Services Corporation (Assessment)
 - ⌘ The Town is required to provide funding to pay a share of the cost of operating the provincial assessment system. The Town pays a portion of the total Property Valuation Services Corporation costs, based on the Town's share of the Uniform Assessment and the Town's share of assessment accounts across the province.
 - ⌘ Correction Services
 - ⌘ The Town is required to make a mandatory contribution to the province to fund the cost of correctional services. The contribution is set by the Province of Nova Scotia and is based on the Town's share of the Uniform Assessment and the Town's share of dwelling units across the province.

TAX RATES (cont'd)

🌿 Housing

🌿 The Cobequid Housing Authority administers and manages public non-profit housing for seniors and families on low incomes within the Town. The Town is required to fund a portion of the prior year deficit of the Cobequid Housing Authority annually.

🌿 Regional Library

🌿 The Town is required to fund the Cumberland Public Library pursuant to a formula determined by the Province of Nova Scotia. The Town does not share in any surplus or deficits. In addition, the Town provides funds for the operating and maintenance of the library building which is included in the General Rate.

3. Community Support Area Rate – a rate that provides funding for services that, in the opinion of Council, provide support to the community. In 2021/22 the Community Support Area Rate remained the same as the prior year. These include support to the following organizations/events:

🌿 Grants to Organizations

🌿 'A' Fresh Start Grants

🌿 Youth Free Ice Time

🌿 Cumberland YMCA

🌿 Tax Exemption Policy

🌿 Tax Reduction Policy

🌿 Community Events

In summary, all tax and area rates are per \$100 of Assessment. The rates are as follows:

Residential / Resource	<u>2020/21</u>	<u>2021/22</u>
🌿 Residential / Resource Tax Rate	\$1.187	\$1.197
🌿 Mandatory Provincial Contributions Area Rate	\$0.397	\$0.402
🌿 Community Support Area Rate	\$0.071	\$0.071
 Commercial	 <u>2020/21</u>	 <u>2021/22</u>
🌿 Commercial Tax Rate	\$3.987	\$3.997
🌿 Mandatory Provincial Contributions Area Rate	\$0.397	\$0.402
🌿 Community Support Area Rate	\$0.071	\$0.071

OTHER RATES

1. Deed Transfer Tax

When land/property is sold a Deed Transfer Tax (DTT) may be applicable. The Deed Transfer Tax rate is set by the Town and the DTT payable is calculated based on the sale price of the property. Deed Transfer Tax is collected on behalf of the Town through the Land Registration Office when the deed is registered/recorded.

For the 2021/22 fiscal year the deed transfer tax will remain the same at 1.25%.

2. Uniform Charge

Solid Waste Management Uniform Charge

This uniform charge is levied on each dwelling unit within the boundaries of the Town of Amherst in residential premises with less than four such dwelling units.

The uniform charge for 2021/22 to be levied is \$185 (2020/21 - \$185).

3. Sewer Rates

Effective April 1, 2015 there was a sewer base charge added to the metered quarterly bills. This new base charge was implemented because of the removal of the uniform charge for the wastewater treatment facility. Sewer services in the Town of Amherst are billed through one of the following methods:

Sewer Metered – consumption volume is determined by the Amherst Water Utility

Sewer Consumption Rate (per cubic meter)

Residential - \$0.99 per cubic meter of metered water consumption

Commercial - \$0.49 per cubic meter of metered water consumption

Sewer Base Charges (Quarterly)

Size of Meter

5/8" \$ 18.00

3/4" \$ 27.00

1" \$ 43.75

1.5" \$ 86.00

2" \$ 136.25

3" \$ 271.25

4" \$ 500.00

Sewer Non-Metered Customers

For non-metered customers in unmetered mobile home parks, the park owner shall pay \$178.53 per dwelling unit per annum.

OTHER RATES (cont'd)

- a. Wastewater Treatment Facility Uniform Charge (this offsets expenses for sewer services for those not charged a sewer base charge).
 - ℓ As of April 1, 2015, the Town has removed the uniform charge for the Wastewater Treatment Facility for all assessments with the exception of unmetered mobile homes within a land leased community and replaced it with a base charge on the quarterly sewer bill.
 - ℓ The uniform charge for unmetered mobile homes within a land leased community for 2021/22 to be levied is \$72 (2020/21 - \$72).

4. Water Utility Rates

The Town of Amherst Water Utility is regulated by the Nova Scotia Utility and Review Board (NSUARB). The most recent water rate study was approved by the NSUARB on June 9, 2017 and expired on March 31, 2020. In accordance with the NSUARB Order that expired on March 31, 2020, the rates for 2021/22 will remain unchanged as follows:

Water Base Charges (Quarterly)	
ℓ Un Metered	\$ 83.16
ℓ Size of Meter	
▪ 5/8"	\$ 31.11
▪ ¾"	\$ 45.35
▪ 1"	\$ 73.83
▪ 1.5"	\$ 145.03
▪ 2"	\$ 230.47
▪ 3"	\$ 458.32
▪ 4"	\$ 714.65
▪ 6"	\$1,426.67
▪ 8"	\$2,565.90

Water Consumption Rate (per cubic meter)
 ℓ \$0.765 per cubic meter

The Town of Amherst bills water and sewer together quarterly. The fiscal year quarters are April to June, July to September, October to December and January to March.



Municipal Report



Town of Amherst

Department of Municipal Affairs and Housing

Municipal Profile and
Financial Condition Indicators Results

2019-20

Municipal Profile and Financial Condition Indicators Report

2019-2020 Fiscal Period

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	<h3>Chapter 2 - Assessment Information</h3> <p>Information regarding uniform assessment* trends, dependence, and percentage of median household income required to pay the average tax bill.</p> <ul style="list-style-type: none">• Three-year change in Uniform Assessment• Highest Reliance on a Single Business or Institution• Residential Tax Effort• Residential and Commercial Uniform Assessment 5-Year Trend <p><i>*Uniform Assessment is taxable property assessment plus the capitalized value of payments made to municipalities in lieu of taxes.</i></p>
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	<h3>Chapter 4 - Financial Condition Indicators</h3> <p>The Financial Condition Indicators (FCIs) condense multiple sources of information into a single visual “House Model” graph. The House Model gives a quick visual of a municipality’s strengths and possible areas where a municipality may want to focus its attention. Thirteen indicators consisting of:</p> <ul style="list-style-type: none">• 4 key performance indicators;• 6 financial indicators that concern management and debt; and• 3 indicators relating to internal and external factors that could impact the municipality’s revenue stream.
	<h3>Appendices</h3> <ul style="list-style-type: none">• List of additional municipal data located on the Nova Scotia Open Data Portal• Municipality’s website contact information
	<h3>Contact Information</h3>

Introduction

The Department of Municipal Affairs and Housing compiles municipal indicators on behalf of the Nova Scotia Government and Association of Municipal Administrators of Nova Scotia (AMANS) that focus on three areas:

- financial matters;
- administration of the municipality; and
- characteristics of the community.

This report creates a snapshot from those financial and demographic statistics to help community members and decision makers better understand:

- the municipality in which they live;
- the municipality's key characteristics; and
- the municipality's financial risks.

For example, the snapshot makes it easy to:

- compare the Three-Year Change in Tax Base indicator to understand the municipality's revenue growth in comparison to cost of living; and
- use the change in population to indicate whether a community's population is growing or declining and its potential impact on municipal revenues and expenses.



Chapter 1 - Municipal Profile

Municipalities are diverse and operate within unique demographic and economic characteristics. These characteristics have a significant impact on municipal performance and subsequent strategies required to ensure a sustainable environment. This chapter outlines the unique demographic and economic characteristics of the Municipality, specifically its composition, population trends, demographics, median household income levels, employment rates, and educational attainment. The municipal profile trends could have impacts on the current and potential future tax base for a municipality.

Municipal Profile Highlights

About the Municipality

Name:	Town of Amherst
County:	Cumberland County
Approximate size:	12 km ²
Number of dwellings:	4,777
Government:	7 elected councillors (including the Mayor)



Figure 1- Location of Municipality

Population Highlights

Population 2016:	9,415
Population 5-year trend:	-3.1%
County 5-year trend:	-0.4%
Demographic trend:	Aging
Up to 19 Yrs.	20%
20 to 59 Yrs.	48%
Over 60 Yrs.	32%

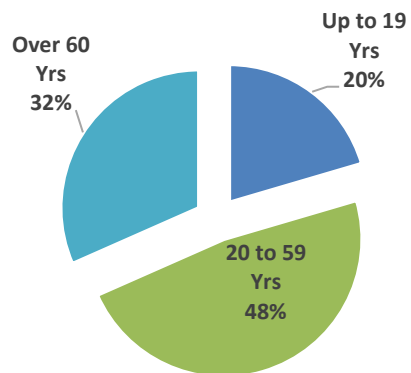


Figure 2 - Age Breakdown

Population Trends

Population: 9,415
 Provincial population: 1.0%
 20-year trend: Declining [supported by Figure 3 below]
 Age Trend: Majority between 40-69 years of age [supported by Figure 4 below]

Population Trend from 1996 to 2016

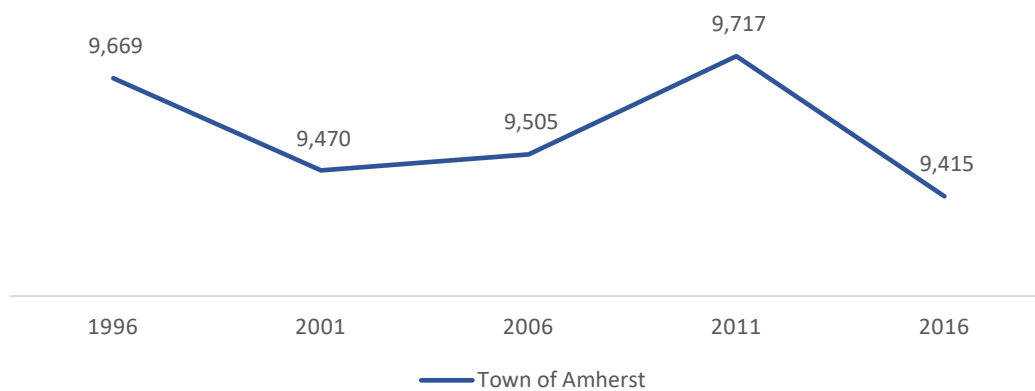


Figure 3 - Population from 1996-2016. Source: Statistics Canada

2016 Population by Age

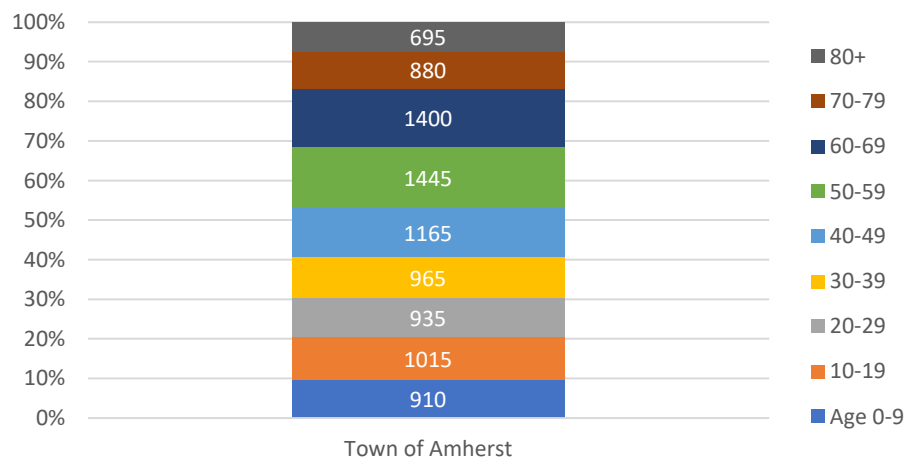


Figure 4 - Population by Age for 2016. Source: Statistics Canada

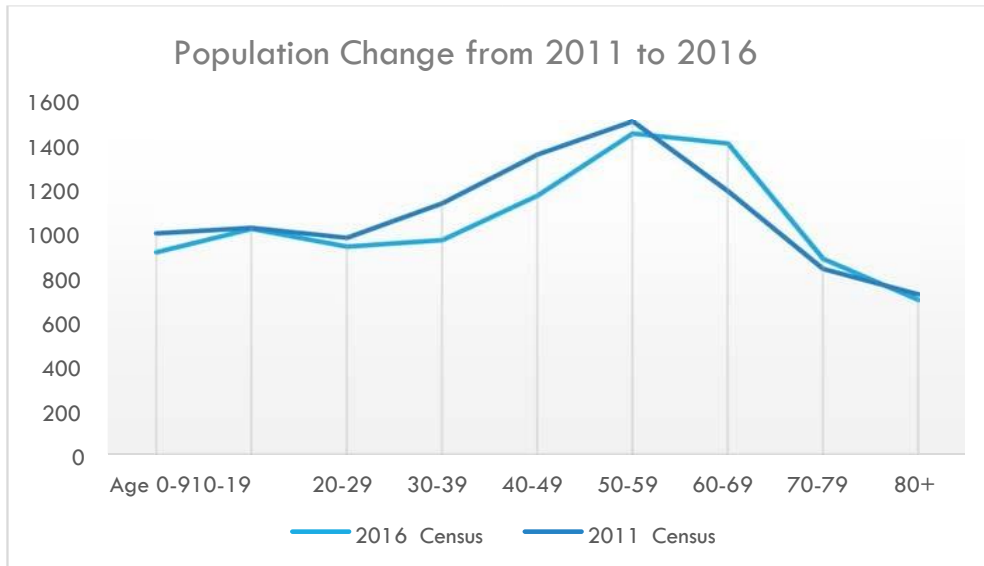


Figure 5- Population Age Change from 2011 to 2016. Source: Statistics Canada

According to the 2016 Census, similar to most towns in Nova Scotia, the majority of Amherst’s citizens are between the ages of 40 and 69.

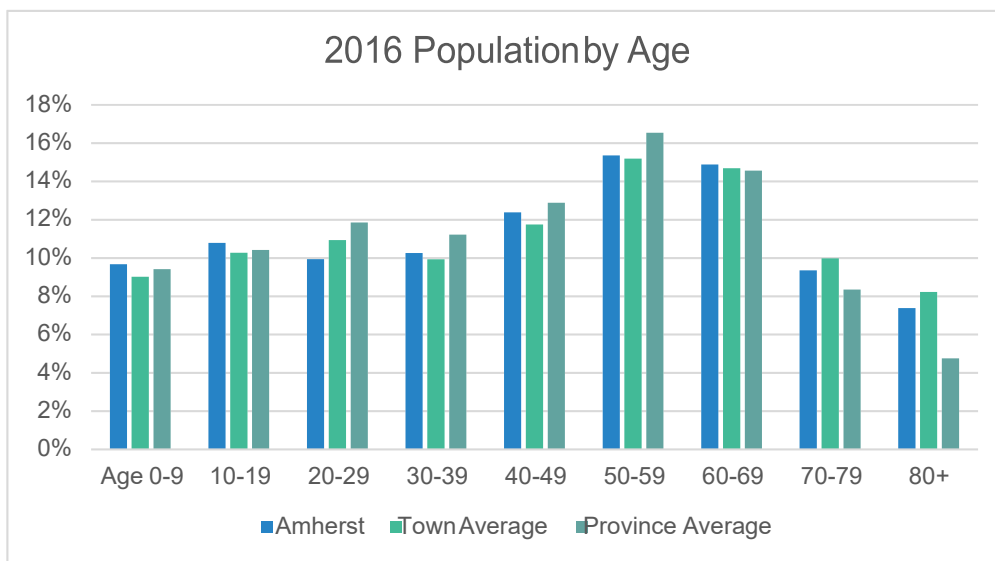


Figure 6 - Comparison of Population by Age for 2011 and 2016. Source: Statistics Canada

Economic Indicators

Along with population trends, employment rates and median household income are important economic indicators. Education levels can also play a crucial role in economic and social progress and can help improve income distribution. These factors provide an indication of the wellbeing of the economy and labour force.

	2016 Census	2011 Census	+/-	Town Average
Median Household Income	\$46,677	\$41,027	\$5,650	\$48,934
Employment Rate	50.1%	51.3%	-1.2%	48.3%
Education Beyond High School	44.9%	46.8%	-1.9%	52.0%

Source: 2011 and 2016 Statistics Canada

Median household income: Amherst’s median household income is lower than the provincial town average, although it has increased since 2011.

Employment rate: In a healthy economy, the employment rate is between 97% and 95%. The Town of Amherst’s employment rate is above the provincial town average, although it has declined.

Education level: Amherst’s education level is lower than the provincial town average and has decreased since 2011.

Chapter 2 - Assessment Information



Since property taxes are a primary source of revenue for most municipalities, special emphasis has been placed on reviewing assessment trends.

Three-year change in uniform assessment[1]: 2.9%
 growth does not keep pace with cost living (moderate risk)

Highest reliance on a single business or institution: 1.6% not dependent (low risk)
 Residential Tax Effort: 3.6% has some flexibility (low risk)

The line graphs below show the five-year trend of residential and commercial portion of the municipality's uniform assessment.

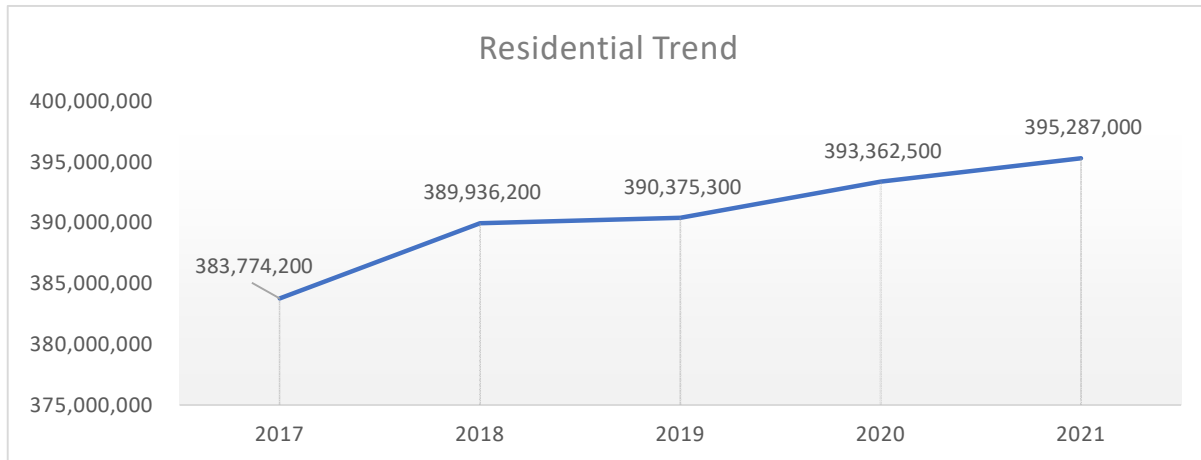


Figure 7 - Residential assessment value over the last five years. Source: 2016-2020 Statement of Estimates - Assessment



Figure 8 - Commercial assessment value over the last five years. Source: 2016-2020 Statement of Estimates - Assessment

[1] Uniform assessment is the value of a municipality's taxable property assessment plus the capitalized value of payments in lieu of taxes.

Chapter 3 - Financial Information

General Overview:

Audited financial statements are presented on a consolidated basis. These consolidated financial statements present all municipal entities as one single reporting entity:

- all the individual funds managed by the Municipality
- organizations or enterprises that the Municipality owns or controls, such as:
 - Water Utility

The Municipality's non-consolidated financial statements present only the individual funds managed by the Municipality, such as the General Operating Fund, General Capital Fund, Water Operating Fund, Water Capital Fund, Non-operating Reserve Fund, and the Operating Reserve Fund. Non-consolidated financial statements are reconciled but not audited.²

Financial Reporting Compliance:

Audited financial statements and financial information return submitted:	yes
Submission of financial information:	Before deadline ³
Financial statements include:	
Remuneration and Expenses for Elected Officials and CAO/Clerk Note:	yes
Unqualified Opinion:	yes
Quarterly Expenditure report posted online:	yes
Summary Expenditure Report submitted:	yes
Statement of Estimates and assessment information submitted:	yes

² Please be advised that, although the Department reconciles, at a high level, a municipality's non-consolidated financial statements to the consolidated financial statements, the non-consolidated financial statements are usually not audited nor presented in full accordance with Canadian public sector accounting standards.

³ Annually, municipalities are required to submit their financial information by Sept 30th.

Financial Highlights

Revenue

Total consolidated revenue:	\$20.8 million
Revenue generated from own source revenue *:	\$16.4 million
Total operating revenue:	\$15.4 million
Largest operating revenue:	79%
	Net property taxes and payments in lieu of taxes

Expenses

Total consolidated expenses:	\$17.9 million
Total operating expenses:	\$13.9 million
Largest operating expense:	43%
	Protective services

Annual Surplus

Annual consolidated surplus (deficit):	\$2.9 million
Consolidated accumulated surplus (deficit):	\$64.8 million
Annual operating surplus (deficit):	\$188 thousand

Debt

Total consolidated long-term debt:	\$8.1 million
Total general capital fund long-term debt:	\$7.5 million
Operating fund bank indebtedness:	nil

* Consolidated revenue excluding government transfers

Revenue:

\$20.8 M
2020 Consolidated Revenue

Total consolidated revenue:	\$20.8 million
Largest revenue:	\$12.5 million Taxes and grants in lieu of taxes
Revenue generated from own source revenue:	79%

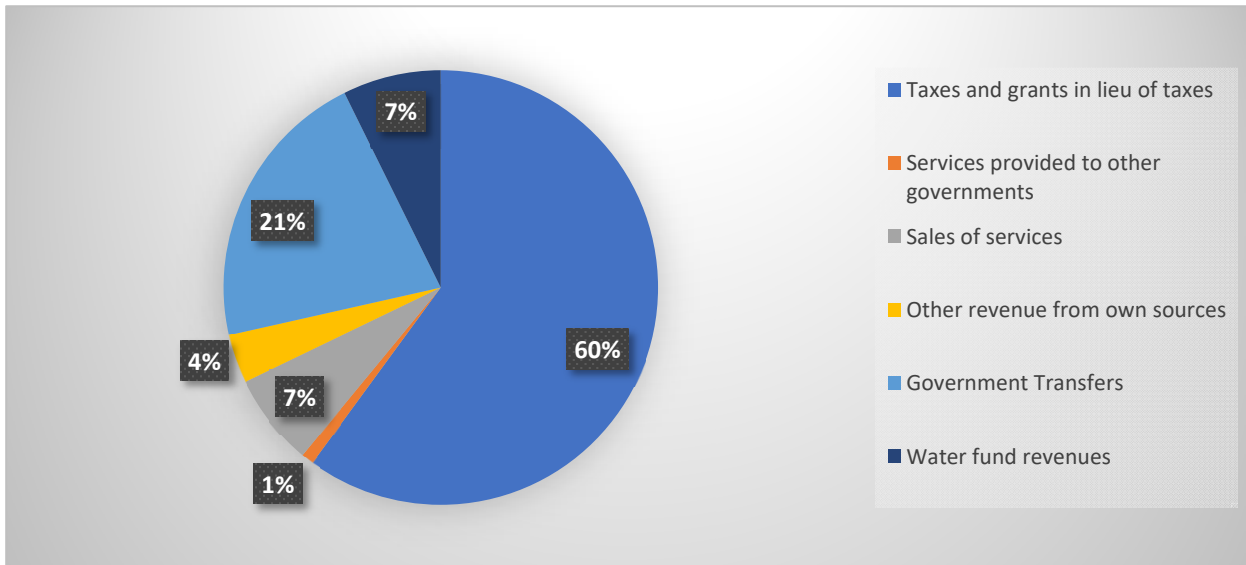


Figure 9 - Consolidated Revenue Source: 2019-20 Financial Information Return

The graph above and table below show the Municipality's consolidated revenue divided into categories.

	Consolidated Revenue
Taxes and Grants in lieu of taxes	\$12.5 million
Services provided to other governments	\$0.2 million
Sales of services	\$1.4 million
Other revenue from own sources	\$0.8 million
Government Transfers	\$4.4 million
Net income from government business enterprises	nil
Water fund revenues	\$1.5 million
Electric fund revenues	nil

\$15.4 M 2020 General Operating Revenue

Total operating revenue:	\$15.4 million
Largest operating revenue:	79%
	Net property taxes and payments in lieu of taxes
Uncollected Taxes:	5.9%
Reliance on Government Transfers:	10.5%

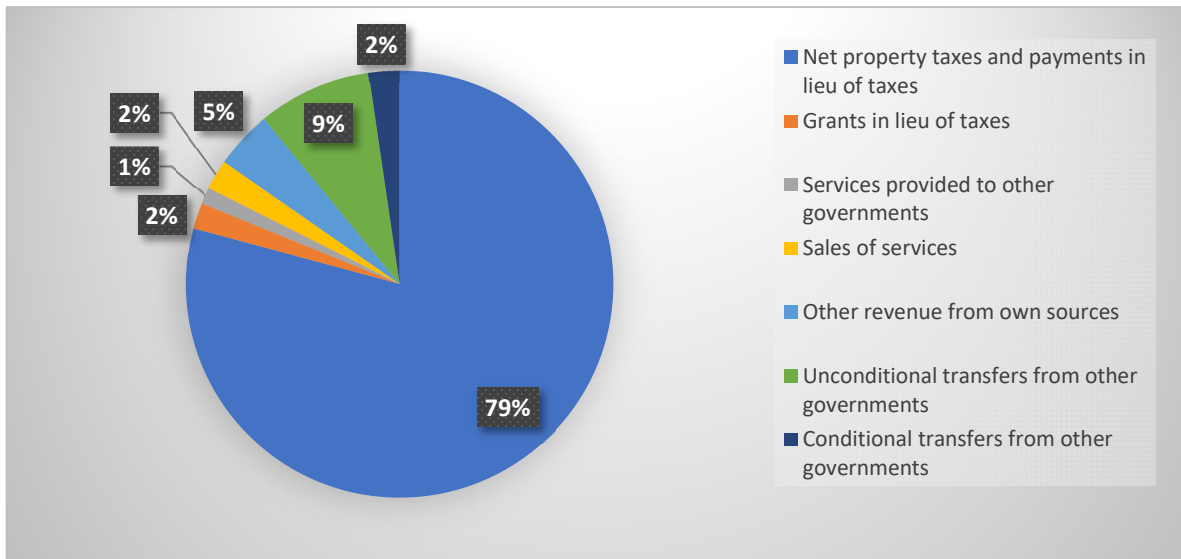


Figure 10 - General Operating Fund Revenue Source: 2019-20 Financial Information Return

The graph above and table below show the Municipality's operating fund revenue divided into categories.

	Operating Revenue
Net property taxes and payments in lieu of taxes	\$12.2 million
Grants in lieu of taxes	\$0.3 million
Services provided to other governments	\$0.2 million
Sales of services	\$0.3 million
Other revenue from own sources	\$0.7 million
Unconditional transfers from other governments	\$1.3 million
Conditional transfers from other governments	\$0.4 million

Expenses:

\$17.9 M
2020 Consolidated Expenses

Total consolidated expenses: \$17.9 million
 Largest expense: 31%
 Protective services

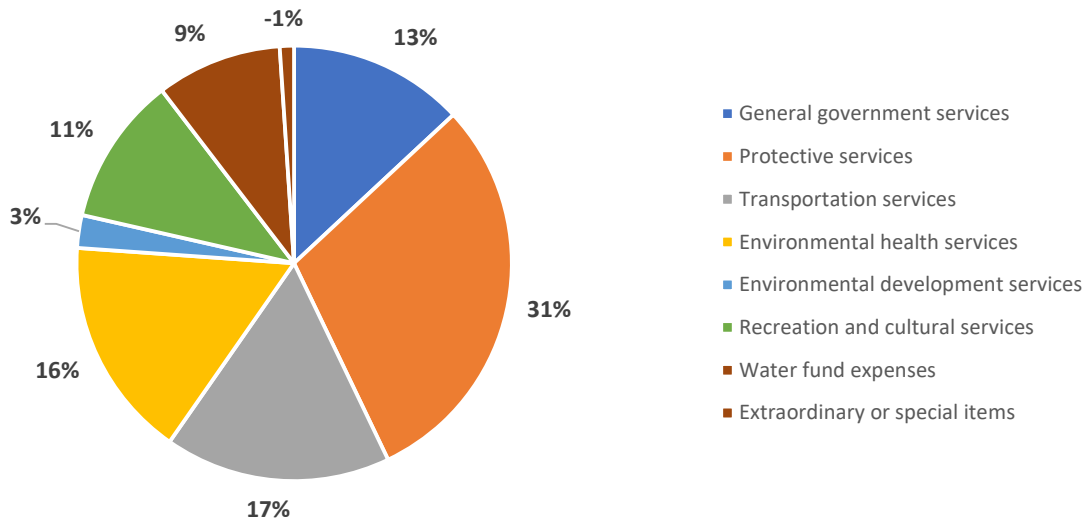


Figure 11 - Consolidated Expenses Source: 2019-20 Financial Information Return

The graph above and table below show the Municipality's consolidated expenses divided into categories.

	Consolidated Expenses
General government services	\$2.4 million
Protective services	\$5.5 million
Transportation services	\$3.1 million
Environmental health services	\$3.0 million
Public health services	nil
Environmental development services	\$0.4 million
Recreation and cultural services	\$2.0 million
Water fund expenses	\$1.7 million
Electric fund expenses	nil
Extraordinary or special items	-\$0.2 million

\$13.9 M 2020 General Operating Expenses

Total operating expenses:	\$13.9 million
Largest operating expense:	43%
	Protective services
Operating reserves as a percentage of total operating expenses:	22.6%

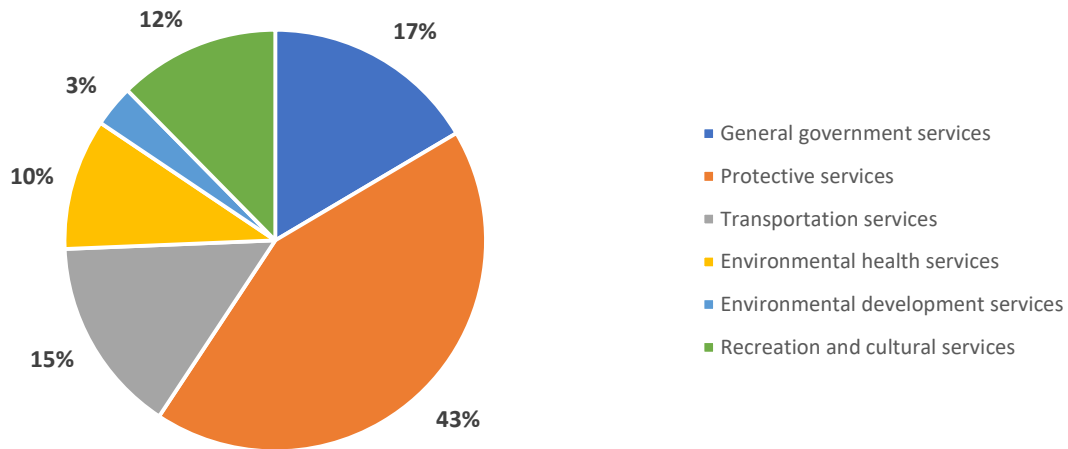


Figure 12 - General Operating Fund Expenses Source: 2019-20 Financial Information Return

The graph above and table below show the Municipality's operating expenses divided into categories.

	Operating Expenses
General government services	\$2.3 million
Protective services	\$5.9 million
Transportation services	\$2.1 million
Environmental health services	\$1.4 million
Public health services	nil
Environmental development services	\$0.4 million
Recreation and cultural services	\$1.7 million
Extraordinary or special items	nil

The graph below shows the expense by function for the municipal operations or General Operating Fund expenses compared to the provincial town average.

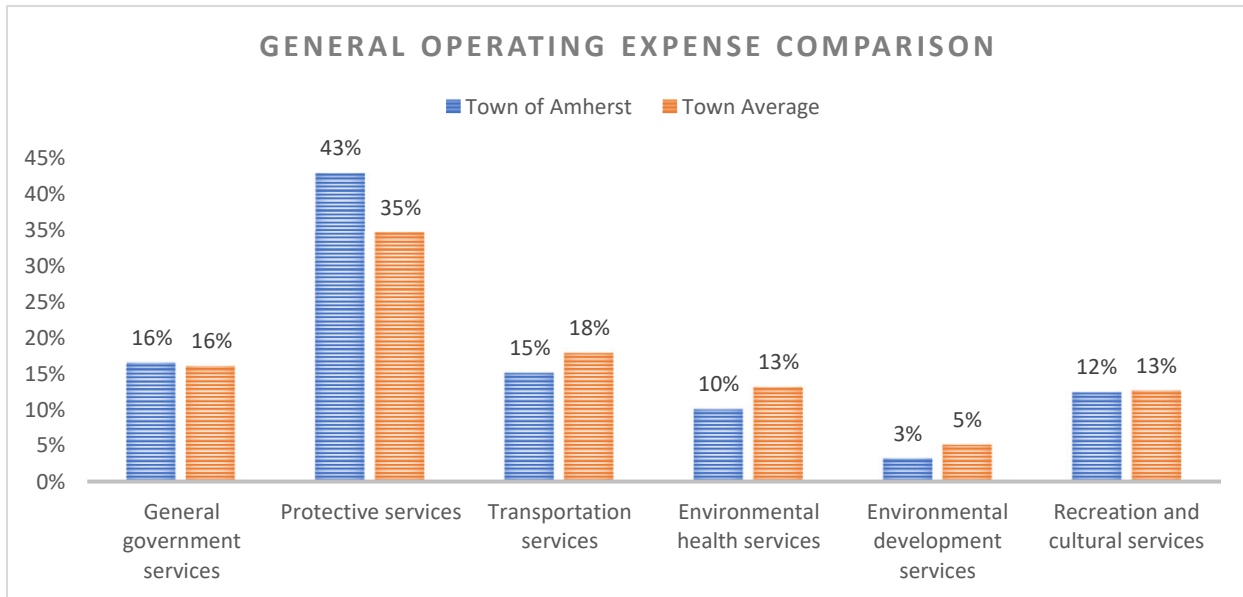


Figure 13 - Comparison of General Fund Expenses to Provincial Town Average. Source: 2019-20 Financial Information Return

Accumulated Surplus (Deficit)

Annual Surplus: Revenue - Expenses

Note: Annual surplus is added to the accumulated surplus (deficit)

Annual consolidated surplus (deficit):	\$2.9 million
Consolidated accumulated surplus (deficit):	\$64.8 million
Annual operating surplus (deficit):	\$188 thousand
Number of operating deficits in the last 5 years:	0

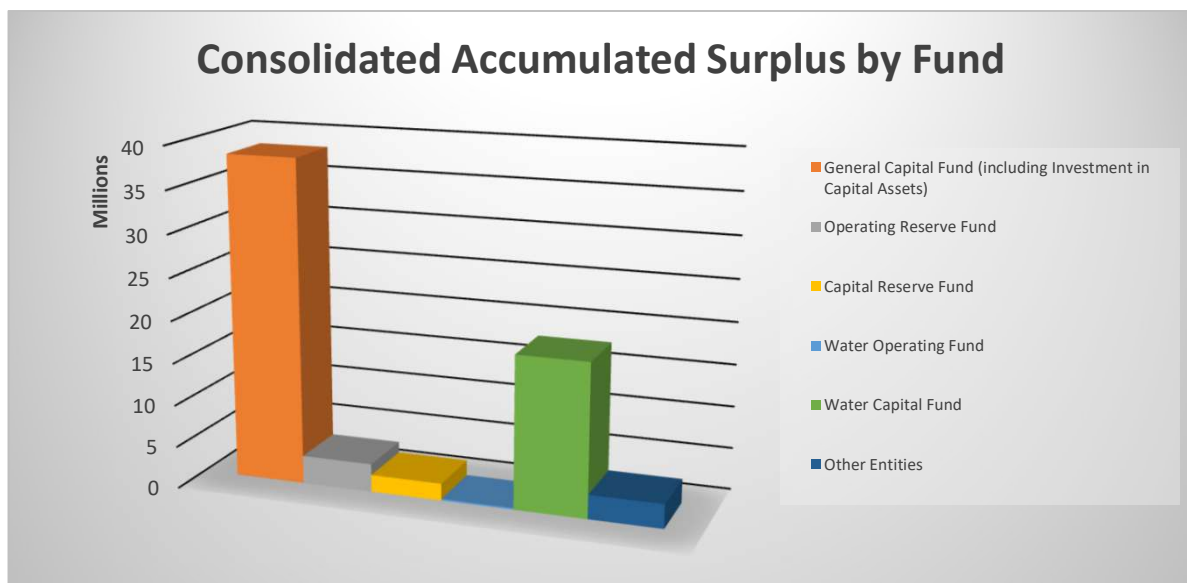


Figure 14 - Consolidated Accumulated Surplus by Fund. Source: 2019-20 Financial Information Return

Debt

Total consolidated long-term debt:	\$8.1 million
Total general capital fund long-term debt:	\$7.5 million
Debt Service Ratio:	7.9%
Operating fund bank indebtedness:	nil
Outstanding operating debt as a percentage of Net Property Taxes/Payment in Lieu of Taxes, Grants in Lieu of Taxes and Government Transfers:	0.0%

Chapter 4 - Financial Condition Indicators: House Model



The Financial Condition Indicators (FCIs) condense multiple sources of information into a single visual “House Model” graph. The House Model gives a quick visual of a municipality’s strengths and possible areas where a municipality may want to focus its attention.

The Model:

The Model consists of 13 indicators organized into base, structure and roof, focusing on:

- roof: 4 key performance indicators;
- structure: 6 financial indicators that concern management and debt; and
- base: 3 indicators relating to internal and external factors that could impact the municipality's revenue stream.

Risk thresholds:

Each indicator is assessed against a risk threshold:

- low risk (**green**);
- moderate risk (**yellow**); and
- high risk (**red**).

Overall assessment:

The Department calculates an overall assessment for fiscal instability:

- low risk (**green**): 10-13 FCIs meet low risk threshold;
- moderate risk (**yellow**): 8-9 FCIs meet low risk threshold; and
- high risk (**red**): 7 or less FCIs meet low risk threshold.

Overall Assessment

Overall Assessment for: Town of Amherst

Financial Condition: **Low risk**

The overall Financial Condition Index assessment for the Town of Amherst is Low risk

This means that although the Municipality has a few challenges, it is considered low risk for fiscal instability.

Comparison: The majority of towns are moderate risk (see chart below).

Municipal Comments: The Town of Amherst has incurred surpluses resulting from vacant staff positions. Although unplanned, these surpluses have been used to fund capital investments which would have otherwise been funded by borrowing, saving the Town interest costs associated with borrowing.

**OVERALL RESULTS FOR TOWNS
FOR 2019-20**



Financial Condition Indicators Highlights

Overall Assessment Green (low risk)
 The overall Financial Conditions Index assessment for the Town of Amherst is green (low risk). This means that, although the Municipality has a few challenges, it is considered low risk for fiscal instability.



























As shown in the House model below, Amherst’s FCIs are comprised of:

- Low Risk (green): 10 Indicators
- Moderate Risk (yellow): 2 Indicators
- High Risk (red): 1 Indicator

Details on the individual FCI assessments and the Municipality’s specific challenges are provided below.



Two-Year Comparison of Financial Condition Indicators

BASE	2020	2019	+/-
3-year Change in Tax Base	 2.9%	 5.3%	-2.4%
Reliance on a Single Business or Institution	 1.6%	 1.6%	0.0%
Residential Tax Effort	 3.6%	 3.5%	0.1%
STRUCTURE			
Uncollected Taxes	 5.9%	 2.1%	3.8%
5 Year Budget Accuracy	 3/5	 3/5	0
Operating Reserves	 22.6%	 21.1%	1.5%
Debt Service	 7.9%	 8.0%	-0.1%
Outstanding Operating Debt	 0.0%	 0.0%	0.0%
Undepreciated Assets	 58.3%	 59.5%	-1.3%
ROOF			
Deficits in the Last 5 Years	 0/5	 0/5	0
Liquidity	 3.1	 2.7	0.4
Reliance on Government Transfers	 10.5%	 10.4%	0.1%
Combined Reserve	 31.7%	 29.1%	2.6%

* For 3-year Change in Tax Base, CPI % change for 2020 is 3.2% and for 2019 is 5.2%

Three-Year Change in Tax Base

2020 Results: **Mod risk** **2.9%**

What does it mean?

Growth is below the CPI % change of 3.2% but above 0%.

The municipality’s tax base is not keeping up with the cost of municipal services and programs.

Calculation:

$$\frac{\text{Current Uniform Assessment} - \text{Uniform Assessment 3 Years Prior}}{\text{Uniform Assessment 3 Years Prior}} = 2.9\%$$

Risk Thresholds:

- Low: Equal or above CPI% Change
- Moderate: Below CPI % Change, but not negative growth
- High: Negative growth

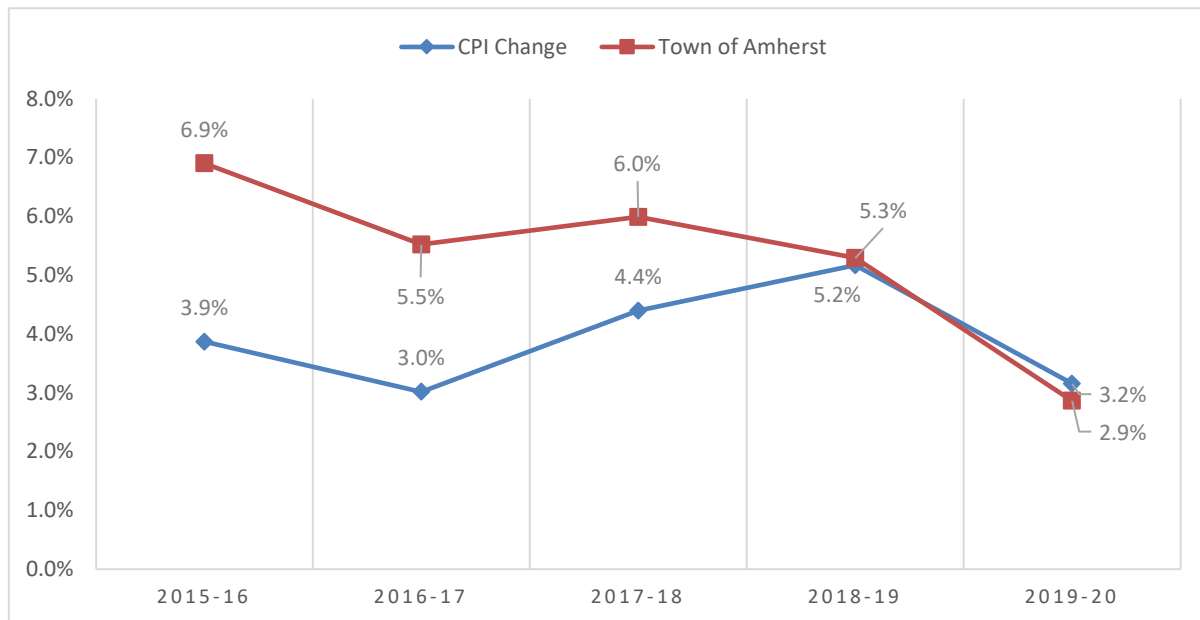


Figure 15- Three-year change in Uniform Assessment in comparison to three-year change in CPI for the last 5 yearsSource: Statement of Estimates-Assessment and Statistics Canada

Residential Tax Effort

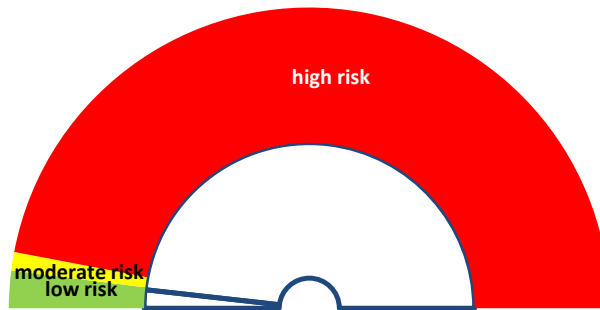
2020 Results: **Low risk 3.6%**
3.6% of median household income is required to pay the average tax bill.

What does it mean? The Municipality has some flexibility to increase the taxes, if required.

This indicator helps council assess the affordability of municipal taxes in relation to the current service levels.

Calculation:
$$\frac{\text{Total residential tax revenue per dwelling unit}}{\text{Median Household Income}} = 3.6\%$$

- Risk Thresholds:**
-  Low: Less than 4%
 -  Moderate: 4% to 6%
 -  High: Greater than 6%



FCI Indicators - Structure (Management) Indicators

Debt Service

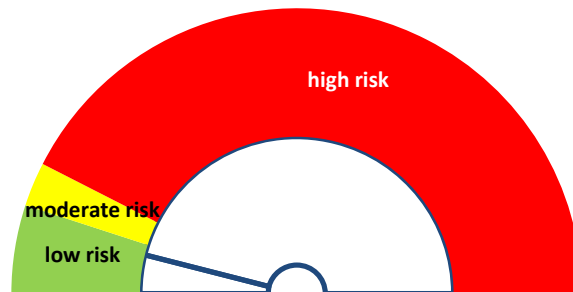
2020 Results: **Low risk 7.9%**
7.9% of own source revenue is spent on principal and interest payments.

What does it mean? With adequate cash flow, the Municipality has the potential for flexibility to increase borrowing levels to help finance future capital expenditures

Calculation:
$$\frac{\text{Principal and Interest Paid on Long-term Debt}}{\text{Total Own Source Operating Revenue}} = 7.9\%$$

Risk Thresholds:

-  Low: Less than 10%
-  Moderate: 10% to 15%
-  High: Greater than 15%



Outstanding Operating Debt

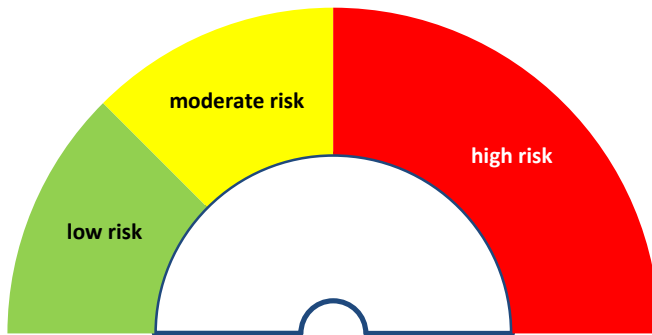
2020 Results: **Low risk 0.0%**

What does it mean? The Municipality is not carrying any operating debt.

Calculation:
$$\frac{\text{Total Outstanding Operating Debt}}{\text{Total Own Source Operating Revenue}} = 0.0\%$$

Risk Thresholds:

-  Low: Less than 25%
-  Moderate: 25% to 50%
-  High: Greater than 50%



Uncollected Taxes

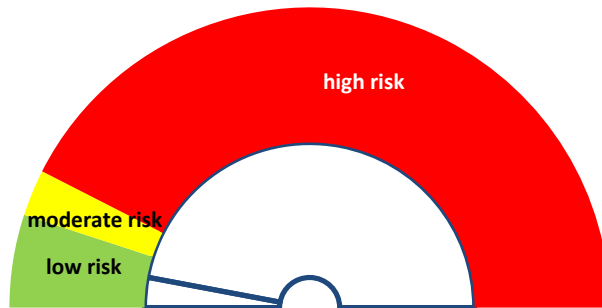
2020 Results: **Low risk** **5.9%**

What does it mean? The Municipality is managing tax revenue collection.

Calculation:
$$\frac{\text{Total Cumulative Uncollected Taxes}}{\text{Total Taxes Billed in Current Fiscal Year}} = 5.9\%$$

Risk Thresholds:

-  Low: Less than 10%
-  Moderate: 10% to 15%
-  High: Greater than 15%



Undepreciated Assets

2020 Results: **Low risk** **58.3%**

What does it mean?




This indicator estimates that the Municipality's capital assets have 58.3% of useful life remaining.

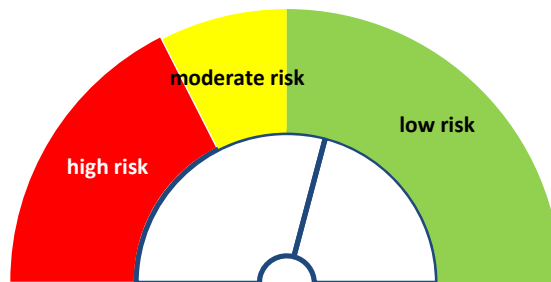
Municipalities across Canada are facing sufficient infrastructure challenges. This indicates that the Municipality is experiencing less of an infrastructure challenge than other municipalities.

Calculation:

$$\frac{\text{Total Net Book Value of Capital Assets}}{\text{Gross Costs of Capital Assets}} = 58.3\%$$

Risk Thresholds:

-  Low: Greater than 50%
-  Moderate: 35% to 50%
-  High: Less than 35%






5-Year Budget Accuracy

2020 Results: **High risk** 3 of the last 5 years, actual expenditures were within +/- 5% of budget.

What does it mean? The Municipality did not consistently maintain expenditure spending within budget limits.

Calculation:
$$\frac{\text{Total budget expenditures} - \text{Total actual expenditures}}{\text{Total budget expenditures}}$$

Risk Thresholds:

-  Low: 5 out of 5 years, expenditures were within +/- 5% or expenditure and revenue variance were within +/- 5% of each other
-  Moderate: 4 out of 5 years, expenditures were within +/- 5%
-  High: Less than 4 out of 5 years, expenditures were within +/- 5%

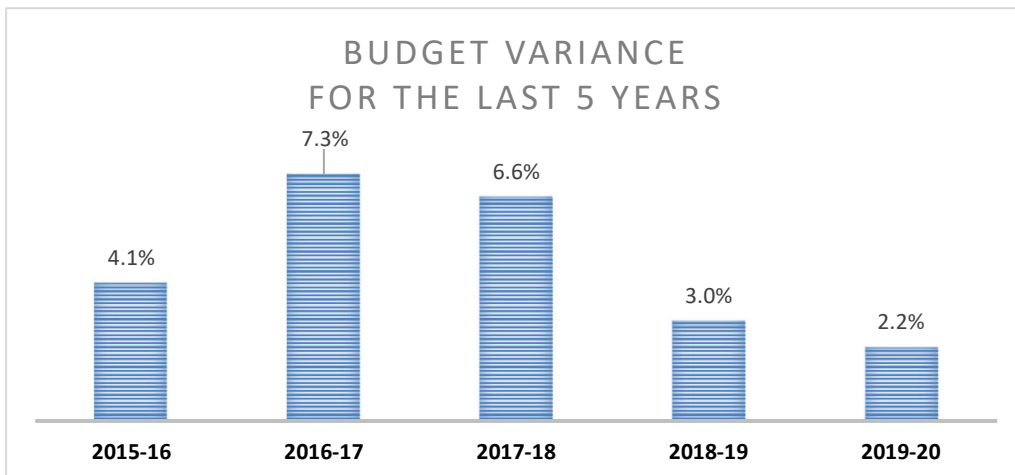


Figure 16- Operating budget variance over the last 5 years. Source: Financial Information Return and Statement of Estimates- Budget

Municipal Comment:

The Town of Amherst has incurred surpluses resulting from vacant staff positions. Although unplanned, these surpluses have been used to fund capital investments which would have otherwise been funded by borrowing, saving the Town interest costs associated with borrowing.




Number of Deficits in the Last 5 Years

2020 Results: **Low risk** 0 Operating deficit in the last five years

What does it mean? Deficits are important indications of financial health. The result indicates that the municipality is able to meet its needs in a balanced manner and maintain a balanced budget

Calculation: The number of non-consolidated operating deficits in the last five years = 0

Risk Thresholds:

-  Low: 0 in the last 5 years
-  Moderate: 1 or more in the last 5 years
-  High: 1 or more in the last 2 years with one material deficit (0.5% of operating expenses)

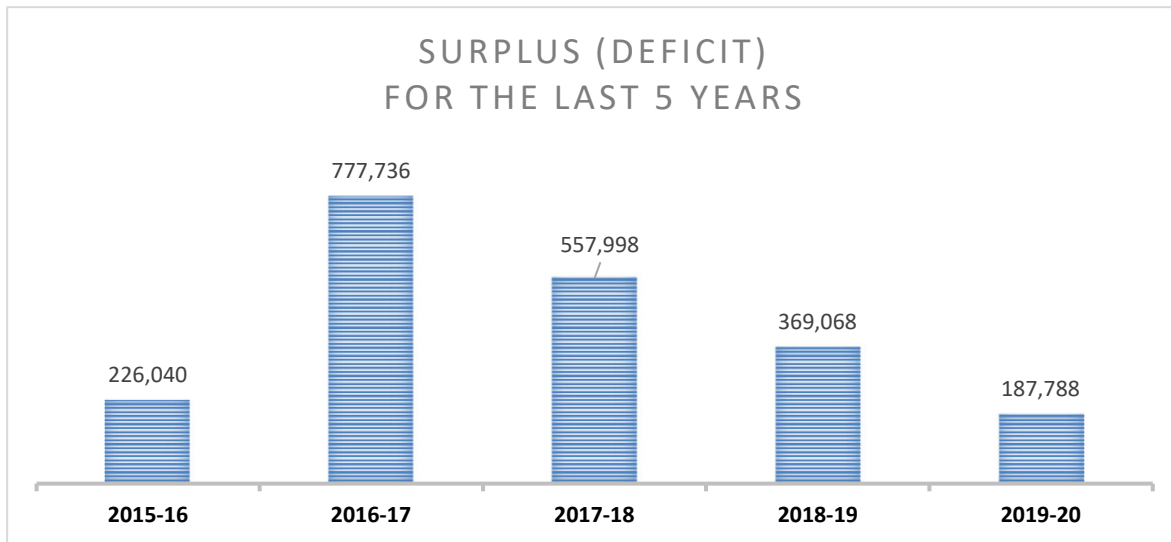


Figure 17- Annual operating fund surplus (deficit) for the last 5 years. Source: Financial Information Return

Combined Reserves

2020 Results: **Mod risk** **31.7%**

What does it mean?

This result indicates that the Municipality may appear to have sufficient reserves needed to address unexpected events or provide flexibility to address future projects.

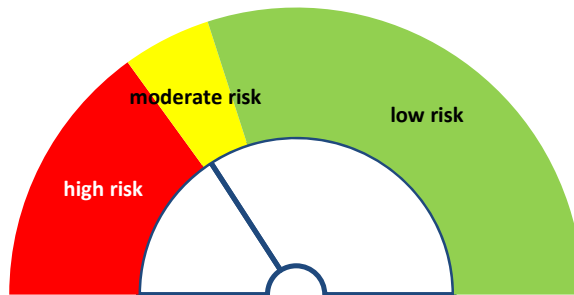
Reserves are critical components of a municipality's long-term sustainability. This indicator shows the value of the funds held in the reserves compared to a single year's operation, including amortization expenses.

Calculation:

$$\frac{\text{Total Operating and Capital Reserves}}{\text{Total Operating Expenses plus Amortization Expense}} = 31.7\%$$

Risk Thresholds:

- Low: Greater than 40%
- Moderate: 30% to 40%
- High: Less than 30%



Appendix I - Additional Resources

Nova Scotia Government's Open Data Portal (data.novascotia.ca)

This portal provides access to various government data in a free, accessible, machine-readable format.

Financial datasets currently published through the Nova Scotia Government's Open Data Portal:

- 911 Municipal Grants
- Consolidated Revenues and Expenses by Municipality
- Municipal Affairs Funding Programs
- Emergency Services Provider Fund
- Farm Land Grant
- Financial Condition Indicators by Municipality
- Municipal Contributions to Roads
- Municipal Financial Capacity Grant (formally equalization program)
- Municipal Operating Fund- Summary of Revenue and Expenses by Municipality
- Municipal Operating Expenses by Function -10 Year Summary
- Municipal Operating Revenue by Source -10 Year Summary
- Municipal Property Tax Rates
- Nova Scotia Power Grant-in-Lieu
- Uniform Assessment

Appendix II - Municipal Website

Municipal website is amherst.ca

A municipality's website can be a helpful resource to access various financial information. Currently, most municipal websites provide:

- Audited Financial Statements
- Approved Operating Budget
- Quarterly Municipal Expense Report
- Quarterly Municipal Hospitality Expense Report

Contact Municipal Affairs and Housing

For more information, for support in action plan development, or to obtain a guide on action plan development: municipalfinance@novascotia.ca

